

IAC-D-57/81
22 October 1957

Post-Mortem on NIE 51-57:

Consequences of Economic Crisis in India,

dated 8 October 1957

I. Findings

1. A number of unknown factors and variables were inherent in the problem at hand. Many of these are not susceptible of clarification by more extensive collection and research activities. Some depend upon future developments, e. g., prices, crops; some depend upon decisions which the Indian Government has not yet made and can only make in the light of future events.

2. One deficiency was the lack of sufficient information on the size of the foreign exchange component of India's military expenditures and the extent to which the foreign exchange required for military expenditures is included in India's estimated \$1.4 billion foreign exchange gap. This made it impossible to estimate precisely the extent to which the Indian economic development program may be affected by military expenditures.

II. Action

The members of the IAC are requested to take such action as they deem appropriate to deal with this problem.